

RURAL ENGLAND PROSPERITY FUND Guidance Notes

Please find below some information to help support you with your application to access Rural England Prosperity Fund grant funding held by East Hampshire District Council ('EHDC' / the 'Council'). At the end of this document, you will find contact details for the relevant Council team which can also offer advice should you not find the answer to your question here.

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GENERAL QUESTIONS

1. What is The Rural England Prosperity Fund?

The Rural England Prosperity Fund (“The Rural Grant”) is a fund provided by central government through the Department for Environment Food Rural and Agriculture (“DEFRA”). DEFRA has allocated East Hampshire District Council (“EHDC” or the ‘Council’) with £302,493 (£294,370 for this round, plus an underspend of £8,123 from Round One) to provide grants to eligible rural organisations, to be allocated and spent before 31st March 2025.

The successful projects from the first round can be found here: [Tourist attractions and community hubs in line for rural grant funding | East Hampshire District Council \(easthants.gov.uk\)](#).

The Rural Grant is a grant fund created to supplement the UK Shared Prosperity Fund administered by the Ministry for Housing, Communities and Local Government (“MHCLG”). More information about both of these funds can be found [here](#) (The Rural Grant) and [here](#) (The UK Shared Prosperity Fund).

The UK Shared Prosperity Fund provides £2.6 billion of funding for local investment by March 2025. The Fund aims to improve pride in place and increase life chances across the UK investing in communities and place, supporting local business, and people and skills. For more information, visit <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

The Rural Grant will provide up to £50,000 of grant funding for each project. The Rural Grant will support micro and small enterprises in rural areas, and will also develop and promote the visitor economy. The Rural Grant aims to create new jobs and/or training opportunities, and /or increase the visitor economy, and/or build community resilience.

Some projects will require match-funding.

The Rural Grant is for capital projects only and the projects (and the capital investment) must remain within the local authority boundary of East Hampshire District Council. Some geographic areas within East Hampshire are excluded from The Rural Grant by DEFRA. Please see the FAQs for details of these.

2. What do I need, to be eligible to apply for The Rural Grant?

Eligible organisations are:

- a charity registered with the Charity Commission,
- a business registered with Companies House,
- a voluntary or charitable organisation with a constitution and annual accounts which you are willing to disclose to EHDC for the purposes of this application process, or
- a business with a constitution and annual accounts which you are willing to disclose to EHDC for the purposes of this application process.

If you do not have a constitution please contact [Community First](#) who will be able to assist you.

Your charity or business must have a bank or building society account which is not benefitting one individual.

Projects which can demonstrate local support, promote community resilience, and/or attract new members/ or participants will score more highly.

Your application must not relate to retrospective expenditure.

As this is a capital grant you must demonstrate security of tenure for at least 7 years from the date of The Rural Grant award (if your bid is successful).

You will be asked to demonstrate that you have the experience and resources to deliver and manage the project and ensure its continuing success.

For larger and more complex projects, applicants will be required to provide a business case/ plan and project management plans.

Timescales for completion of your capital purchase must be submitted.

3. What types of projects can be funded?

Projects must be in accordance with the terms of the funding allocated to EHDC. The Rural Grant will support capital grant schemes which can deliver one or more of the following outcomes:

- Developing and promoting the visitor economy
- Micro and small enterprises in rural areas
- Investment and support for digital infrastructure for local community facilities
- Impactful volunteering and social action projects to develop social and human capital in local places

Peripheral projects for Round Two include:

- Creation and improvements to local rural green spaces
- Existing cultural, historic and heritage institutions that make up the local cultural heritage offer
- Local arts, cultural, heritage and creative activities
- Rural circular economy projects

We anticipate that The Rural Grant will ultimately be used to:

- Create or safeguard jobs
- Create new businesses
- Help businesses to grow/ increase turnover
- Increase footfall/ visitor numbers
- Increase the number of users of facilities/amenities
- Increase use of cycleways/paths
- Improve engagement
- Increase number of community-led arts, cultural, heritage and creative programmes
- Increased number of community-led programmes
- Increased volunteering numbers
- Improve perception of the applicant's offer as set out in their application

Applications will be scored according to their fulfilment of these priorities.

The information collected in the application form is necessary to process the grant application. The lawful basis to collect this information is that it is necessary for the performance of the potential contract (i.e. the grant award). EHDC will keep the information on file in line with its retention schedule (www.easthants.gov.uk/retention-schedule). You have a number of rights about how your data is used. For more information go to: www.easthants.gov.uk/privacy-policy/service-privacy-notices.

Applications must be submitted through a MyEHDC account which you can set up [here](#). This is to ensure that all of the data collected and the scoring applied to each application is available in the event of queries from both the applicant or central government.

Examples of projects falling within scope of The Rural Fund can be found [here](#).

If a proposed project is deemed repair or maintenance it will not be funded.

Revenue projects will not be funded. This is a capital grant scheme.

EHDC reserves the right to be able to part fund, or honour in part only, any funding requests or proposals that are put forward by applicants, especially if there is high demand for the available funding.

Funds will be paid in arrears upon satisfactory completion of the project, accompanied by evidence such as invoices and photographs, etc.

It is at EHDC's discretion to remove funding if the project is not completed and monies spent in a timely manner.

4. The standard funding terms are as follows:

The funded organisation is informed that it should:

- Maintain and / or manage the (approved project / facility) and ensure it has funds for this
- Ensure that all health and safety requirements, together with any necessary insurance cover, are met
- Seek and obtain any necessary permissions, including planning permission where relevant
- Promote that the project was funded/part funded by The Rural Grant, through EHDC (eg funded organisation's/ Town/Parish website, newsletter on-site signage, publicity) in words submitted for use by EHDC to the successful applicant.

FREQUENTLY ASKED QUESTIONS

5. I have an idea for a project that my group wants to do, can we apply for The Rural Grant?

In the first instance please contact The Rural Support Officers to discuss your project. If your project is eligible for this fund then you will need to complete an application form. Any projects ready for delivery will be fully assessed.

6. What if my project is not in the eligible area? Can I still apply?

The capital expenditure for The Rural Grant must be made in and remain in the East Hampshire district area. DEFRA has determined that there are certain parts of the East Hampshire district area which are excluded from The Rural Grant, primarily around Clanfield, Horndean and Longmoor. The map setting this out can be found [here](#).

If you think this exclusion applies to your proposed application please contact The Rural Support Officers.

7. Why are there different sums of money available?

The monies available this financial year are:

- £249,370 supporting local business for projects between £15,000 and £50,000 in value
- £45,000 supporting Community and Place for projects between £15,000 and £50,000 in value.
- A further £8,123 to support projects in either of the above categories

This is the allocated amount, and must be spent in full, with no overspend, before 31st January 2025. Projects which can be delivered sooner will receive priority, and those which do not look like they will be completed in time may have their funding offer revoked if they were successful.

- Any projects must evidence that there is no duplication of public funding,
- VAT registered organisations can not claim the VAT on their scheme

Applicants must demonstrate:

- That the project could not have been financed any other way (projects which have already been granted Farming in Protected Landscapes monies, Futures in Farming funds, or Platinum Jubilee Village Hall Investment Grant Funds cannot be supported),
- That it is [a permissible subsidy, or not a subsidy at all](#) (more information about this is in section 19 below), and
- That the project 'adds value'.

Match Funding

The requirement for match funding has been set by EHDC and requires 0% (zero per cent) match funding from a not for profit organisation, and up to 50% match funding if you are not a not for profit organisation. All applicants must be able to finance the project if up to 50% (fifty per cent) match funding is required from them. Companies Limited by Guarantee will be treated as a not for profit organisation.

8. Why do I need to detail my project and timescales?

This is done to ensure that projects are deliverable, fulfil a local need, as required by the DEFRA guidance and stipulated timescales, and avoid duplicating the provision of facilities and services.

For larger projects, particularly those involving capital works, providing a breakdown of each piece of work, the associated cost and a priority order will help EHDC confirm which aspects of the project are eligible for funding. This will also assist EHDC should the application need to be part-funded.

If an organisation has a series of items, or works, for which they wish to seek grant funding, we recommend setting them out in one application. These works and items can be detailed separately in the application form, and if one item is not eligible it does not mean the whole application fails. Itemising the works allows assessors to separate the recommendations for awards of funds if this is needed.

Any information on project costs given by the applicant is expected to have been checked by the applicant. EHDC may seek confirmation of this from the applicant and may make enquiries. Applicants need to be reasonably certain that their cost estimates are accurate and have fully considered what happens to the project in the event of cost overruns and shortfalls in funding. If project costs increase EHDC reserves the right to enquire with applicants how any shortfall is made up and makes no guarantee to fund that shortfall.

Projects will need to demonstrate how they align with local and national plans, visions and strategies (in particular the [EHDC Corporate Strategy](#)), and will be scored accordingly.

It is important to include all evidence such as results of any consultation, plans, etc as failure to do so may delay or jeopardise the application.

9. My project is in the South Downs National Park, can I still apply?

Yes you can, if it is still within East Hampshire. The only restriction within the district of East Hampshire is that set out by DEFRA and mentioned above in section 6.

SPECIFIC QUESTIONS ABOUT THE PROCESS

10. What is the process?

Below in section 23 you will find a flow chart outlining the process for applying for The Rural Grant. There is one application form to complete, which will be available on [MyEHDC](#).

If the project is approved, the last stage is the monitoring of the project's delivery, reporting its progress and general annual reporting of all projects that have been funded with The Rural Grant and reviewing the process.

The last monitoring stage will be six months after the completion of the project to enable the Rural Support Officers to capture any last or additional outputs and outcomes generated.

11. How long will the process take from the deadline for the application to be submitted to the decision?

We anticipate that all applicants will be provided with a decision on their application for The Rural Grant within 16 weeks of their application being submitted.

12. Can joint applications be made?

Yes. If projects are to be managed and / or delivered by more than one organisation this needs to be clearly set out in the application form, including who the partner organisations are, their roles and who the lead partner will be.

13. Can an organisation help another organisation to apply?

Yes. If one organisation is helping another to apply this needs to be clearly set out in the application form, including who the supporting / helping partner organisations are and if they have any other role in the management and / or delivery of the project.

14. Can I apply for funding for more than one project?

Yes, this can be done. All projects will be assessed in the same way.

Multiple projects can be combined into one application form but will need to be clearly and individually stated and detailed.

15. Who is going to check my application?

Applications will be assessed and scored by Officers from the Regeneration and Economy team.

A panel of senior officers and EHDC councillors (the Rural Project Board) will make the final decision. They may ask to see the application in full. The panel's decision is final and there is no right of appeal.

16. What is the marking criteria?

The Scoring Criteria has been included alongside this document, and is a scoring system which EHDC will use to assess if an application meets the criteria of The Rural Grant. It will act as evidence for the decision making panel.

17. How do we assess our project risk?

Applicants are encouraged to think about what things might affect the delivery of their project. It is important to set these risks out in the application.

18. When and how will I be notified of the decision?

We will email the official decision notice to the main contact. If your project is approved, it is very important that you read the decision confirmation carefully. It may set out conditions for your project, and you should check and clarify any points you are unsure about.

EHDC reserves the right to part fund any funding requests or proposals that are put forward by applicants, especially if there is high demand for the available funding, or a match-funding opportunity has been identified.

If your application is unsuccessful, the main contact will receive notification providing a comparative assessment between the successful applications and your own.

19. Subsidy Control

You've asked me if the amount of money I've asked for will be classed as a subsidy – what does that mean?

There are four key characteristics of a support measure that are likely to indicate that it would be considered a [subsidy](#), **all of which would need to be met:**

- the support measure must constitute a financial (or in kind) contribution such as a grant, loan or guarantee and must be provided by a 'public authority', including, but not limited to, central, devolved, regional or local government;
- the support measure must confer an economic advantage on one or more economic actors;
- the support measure is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or provision of services; **and**
- the support measure must have the potential to have an effect/ cause a distortion in or harm to competition or investment within the UK, or trade or investment between the UK and a country or territory outside the UK.

"Economic actor" means an entity or a group of entities constituting a single economic entity, regardless of its legal status and including public bodies, that is engaged in an economic activity by offering goods or services on a market.

Where EHDC is passing this grant money to a third party, non-public sector body with the intention of making further grants to economic actors, the subsidy control requirements should be followed in full. As a guide, a subsidy is most likely to be present in 'supporting local business' interventions. Public realm interventions, or activities that benefit individual people, are considered highly unlikely to be a subsidy.

If an individual economic actor receives a benefit that amounts to less than £325,000 (until commencement of the [Subsidy Control Act 2022](#)) or £315,000 (after commencement of the [Subsidy Control Act 2022](#)) and has not received other minimal assistance in the current financial year, and the preceding two years, that when combined with the UKSPF support would exceed this limit, then this is permissible irrespective of whether it might constitute a subsidy.

If the proposed activity represents a subsidy and exceeds the minimum financial assistance limit, EHDC must ensure compliance with all the subsidy control principles to provide the proposed support. EHDC will not proceed with any project that does not meet this requirement.

The subsidy control principles are that the subsidy should:-

- pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”)
- be proportionate and limited to what is necessary to achieve the objective
- be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided
- not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy
- be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means
- be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom
- positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties; a new requirement since the [Subsidy Control Act 2022](#) came into effect)

20. Terms of payment

Payment is usually made following full installation/ completion of the scheme/project and once the payment of the invoices of the supplier(s) has been evidenced.

EHDC will issue a Purchase Order against which the successful applicant can invoice for payment. EHDC standard terms for payment are 30 days following receipt and processing of the invoice.

EHDC will monitor all projects, and reserves the right to check the completion at all reasonable times.

EHDC reserves the right to withdraw the grant payment if there is little likelihood of the project being completed within the timescales set out by DEFRA for the Rural Grant.

In extenuating circumstances individual terms may be agreed, e.g. stage payments at agreed contract valuations. If an applicant cannot or will struggle to adhere to the standard terms, they will need to write to EHDC setting this out with a copy of their latest accounts or standing orders, whichever is relevant to your organisation.

VAT must be dealt with by the applicant. If organisations are eligible to pay VAT, it needs to be covered in project costs, and it can not be claimed as a grant cost.

If work is staged how will this be funded?

Work can be carried out in stages and this needs to be made clear by the applicants where this is intended. Where this may be the case, EHDC reserves the right to fund specific stages of work. Further applications for other stages can be made and agreed at the outset of the work.

Where there may be a series of items of work proposed applicants are encouraged to itemise the costs of these items of work. EHDC will assess this on a case by case basis.

21. After the money has been awarded, what happens next?

Once the money has been awarded, it is important that projects are implemented in an efficient and transparent way in order to ensure that The Rural Grant is spent on the intended purpose.

This will require monitoring by EHDC. Applicants should ensure that they update EHDC on the progress of their project's delivery.

Evidence of progress in the form of timely monitoring form/s and/or pictures, quotes, invoices etc will be required.

If the project is approved, the last stage is the monitoring of the project's delivery, reporting its progress and general annual reporting of all projects that have been funded with The Rural Grant and reviewing the process.

Evidence of progress in the form of timely monitoring form/s and/or pictures, quotes, invoices etc will be required.

What do I need to do with the project's documentation? Can I delete it once the project has been completed?

The successful project applicants need to ensure robust systems are in place to record and retain project records. This includes, but is not limited to, financial and procurement information, output and outcomes data, publicity and communication material and evidence of compliance with subsidy control.

Project applicants are recommended to retain project documentation for a period of at least 6 full financial years following the closure of the Rural Grant – such period ending no earlier than March 2032. Project applicants are advised not to destroy any project records without seeking permission of EHDC first.

It is recommended that the project applicants send a copy of any project documentation to EHDC for safe keeping.

22. How can I get help with my application?

A Rural Support Officer can answer any questions regarding the process. Their details are:

business@easthants.gov.uk

Tel. No. 01730 234354

Regeneration & Economy Team (REPF)
East Hampshire District Council
PO Box 310
Petersfield
GU32 9HN

23. How can I submit my application?

All applications must be made through [the online portal](#)

The Rural Grant Application Process Flowchart

Rural Grant (Year One) opens for applications at 09:00 5th August 2024

Optional webinar for applicants 7th August 2024

Rural Support Officers available to answer questions by telephone or email (during usual office hours) from 5th August to 12th September 2024

Rural Grant (Year Two) closes at 11:59 on 12th September 2024

Grant applications scored by Rural Project Managers by 30th September 2024

Grant applications approved by the Rural Project Board by 7th October 2024

Outcomes announced to all applicants 7th October 2024

The Rural Grant Application Process Flowchart

Rural Grant (Year Two) opens for applications at 09:00 5th August 2024

Optional webinar for applicants 7th August 2024

Rural Support Officers available to answer questions
by telephone or email (during usual office hours)
from 5th August to 12th September 2024

Rural Grant (Year Two) closes at 11:59 on 12th September 2024

Grant applications scored by Rural Project Managers
By 30th September 2024

Grant applications approved by the Rural Project Board
By 7th October 2024

Outcomes announced to all applicants 7th October 2024